

304.24-500 Approval of foreign insurer as domestic insurer -- Transfer of domicile of domestic insurer to another state -- Continuance of certificate of authority upon transfer of corporate domicile after merger or consolidation.

- (1) The purpose of this section is to:
 - (a) Provide a means whereby any insurer organized under the laws of any other state may become a domestic insurer;
 - (b) Provide a means for any domestic insurer to transfer its domicile to another state; and
 - (c) Provide a means for the continuation of a certificate of authority and other approvals pertaining to any foreign insurer which transfers its corporate domicile to another state by merger, consolidation, or any other lawful method.
- (2) Any insurer which is organized under the laws of any other state and is admitted to do business in this state for the purpose of writing insurance may, upon approval of the executive director, become a domestic insurer by complying with all of the requirements of this chapter relating to the organization and authorization of a domestic insurer of the same type and by designating its principal place of business at a place in this state. The domestic insurer shall be entitled to like certificates of authority to transact business in this state, and shall be subject to the authority and jurisdiction of this state.
- (3) Any domestic insurer may, upon approval of the executive director, transfer its domicile to any other state in which it is admitted to transact the business of insurance. Upon the transfer, the insurer shall cease to be a domestic insurer, and shall be authorized to transact insurance business in this state if qualified as a foreign insurer. The executive director shall approve the proposed transfer unless the executive director shall determine the transfer is not in the interest of the policyholders of this state.
- (4) The certificate of authority, agents' appointments and licenses, rates, and other items which the executive director allows, in the executive director's discretion, which are in existence at the time any insurer authorized to transact the business of insurance in this state transfers its corporate domicile to this or any other state by merger, consolidation, or merger pursuant to KRS 271B.11-070, or any other lawful method, shall continue in full force and effect upon the transfer if the insurer remains duly qualified to transact the business of insurance in this state. All outstanding policies of any transferring insurer shall remain in full force and effect and need not be endorsed as to the new name of the insurer or its new location unless so ordered by the executive director. Every transferring insurer shall file new policy forms with the executive director on or before the effective date of the transfer but may use existing policy forms with appropriate endorsements if allowed by, and under such conditions as approved by, the executive director. However, every transferring insurer shall notify the executive director in writing of the details of the proposed transfer and shall file promptly appropriate amendments to corporate documents required to be filed with the executive director.

- (5) (a) Any insurer transferring its domicile in accordance with subsections (2) or (3) of this section shall file an application for redomestication and transfer of domicile with the executive director. This transfer of domicile must be approved by order of the executive director. If the executive director does not approve the transfer of domicile, the applicant insurer may request a hearing in accordance with KRS 304.2-310(2)(b).
- (b) An applicant filing to become a domestic insurer in accordance with subsection (2) of this section shall include a notice of transfer of domicile to the Secretary of State and the articles, amended articles, or restated articles of incorporation in compliance with KRS 271B.2-020.
- (c) An application filed by a domestic insurer to transfer its domicile to another state in accordance with subsection (3) of this section shall include a copy of the order approving the redomestication issued by the new state of domicile.

Effective: July 13, 2004

History: Amended 2004 Ky. Acts ch. 24, sec. 31, effective July 13, 2004. -- Amended 1988 Ky. Acts ch. 23, sec. 187, effective January 1, 1989. -- Created 1986 Ky. Acts ch. 88, sec. 1, effective July 15, 1986.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.